

Q3 2026 REPORTING PACKAGE

November 9, 2026

PetroTal

PetroTal Announces Q3 2026 Financial and Operating Results

Calgary, AB and Houston, TX – **November 9, 2026** – PetroTal Corp. ("PetroTal" or the "Company") (TSX: TAL, AIM: PTAL and OTCQX: PTALF) is pleased to report its operating and financial results for the three and nine months ended September 30, 2026. All amounts herein are in United States dollars unless stated otherwise.

Selected financial and operational information outlined below should be read in conjunction with the Company's unaudited consolidated financial statements and management's discussion and analysis ("MD&A") for the three and nine months ended September 30, 2026, which are available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.petrotalcorp.com

Key Highlights

- Average Q3 2026 sales and production of 11,446 and 11,797 barrels of oil per day ("bopd"), respectively;
- Year to date production averaged 13,076 bopd, tracking 3% ahead of budget;
- Q3 Adjusted EBITDA(1) and Free Funds Flow(1) of $33.7 million ($31.96/bbl) and $21.2 million ($20.15/bbl) respectively;
- Net loss of $5.5 million ($5.27/bbl), due to a total commodity price derivative loss of $14.9 million. A significant portion of this relates to unrealized fair value adjustments on the Company's commodity hedging program, with no impact on cash flows;
- Capital expenditures of $11.8 million, bringing 2026 YTD capital investment to $27.4 million, and;
- Unrestricted cash of $115.6 million, an increase of 9.6% in the quarter.
- Commencement of the drilling of development well 25-H
- Post quarter end events:
    - Repayment of $36.6 million balance of BanBif-COFIDE syndicated facility from existing resources
    - Award of Area CXVII Technical Evaluation Agreement (TEA).

(1) Non-GAAP (defined below) measure that does not have any standardized meaning prescribed by GAAP and therefore may not be comparable with the calculation of similar measures presented by other entities. See "Selected Financial Highlights" section.

Manuel Pablo Zuniga-Pflucker, President and Chief Executive Officer, commented:

"PetroTal delivered a solid third quarter, with Adjusted EBITDA of $33.7 million and Free Funds Flow of $21.2 million reflecting higher year on year pricing and continued cost discipline. Year to date production averaged 13,076 bopd, slightly ahead of our internal plan, putting us in an encouraging position to meet our annual production guidance. The first development well of our production growth campaign, 25-H, is drilling ahead safely and we look forward to sharing the results once it has completed. We are also pleased to have voluntarily prepaid in full the outstanding

balance of our BanBif-COFIDE syndicated loan facility, and to have been awarded a TEA in Area CXVII. Looking ahead, we remain focused on disciplined capital allocation and advancing our drilling campaign, returning to production growth."

Selected Financial Highlights

	Three Months Ended						Nine Months Ended			
	Q3-2026		Q2 2026		Q3 2025		Q3-2026		Q3 2025	
	$/bbl	$(000's)	$/bbl	$(000's)	$/bbl	$(000's)	$/bbl	$(000's)	$/bbl	$(000's)
Average Production (bopd)		**11,797**		**12,557**		**18,414**		**13,076**		**20,893**
Average Sales (bopd)		**11,446**		**11,969**		**18,028**		**12,578**		**20,611**
Total Sales (bbls)[1]		**1,053,046**		**1,089,145**		**1,658,621**		**3,433,663**		**5,626,937**
Average Brent Price	**$86.45**		**$90.11**		**$66.96**		**$83.82**		**$68.80**	
Contracted Sales Price, Gross	$86.49		$90.36		$66.95		$83.25		$69.06	
Tariffs, Fees and Differentials	$23.44		$23.49		$23.62		$23.50		$22.51	
Realized Sales Price, Net	$63.05		$66.87		$43.33		$59.75		$46.55	
Oil Revenue	**$63.05**	**$ 66,391**	**$66.87**	**$ 72,827**	**$43.33**	**$ 71,871**	**$59.75**	**$ 205,168**	**$46.55**	**$ 261,932**
Royalties[2]	$ 5.85	$ 6,158	$ 7.36	$ 8,016	$ 4.80	$ 7,961	$ 5.98	$ 20,525	$ 5.24	$ 29,478
Operating Expenses	$12.98	$ 13,668	$10.11	$ 11,013	$ 8.34	$ 13,834	$10.37	$ 35,609	$ 7.92	$ 44,549
Direct Transportation										
Barging	$1.56	$1,647	$ (0.60)	$ (651)	$ 0.60	$ 1,003	$ 0.47	$ 1,622	$ 0.74	$ 4,149
Storage	$ —	$ —	$ —	$ —	$ 2.76	$ 4,579	$ —	$ —	$ 1.03	$ 5,785
Total Transportation	$1.56	$1,647	$ (0.60)	$ (651)	$ 3.36	$ 5,582	$ 0.47	$ 1,622	$ 1.77	$ 9,934
Net Operating Income[3,4]	**$42.66**	**$ 44,918**	**$49.99**	**$ 54,449**	**$26.83**	**$ 44,494**	**$42.93**	**$ 147,412**	**$31.63**	**$ 177,971**
Erosion Control	$ 1.41	$ 1,480	$ 0.30	$ 332	$ 3.91	$ 6,481	$ 1.71	$ 5,882	$ 1.60	$ 9,002
G&A	$ 6.05	$ 6,368	$ 6.29	$ 6,854	$ 4.38	$ 7,271	$ 6.39	$ 21,934	$ 4.38	$ 24,625
EBITDA[3]	**$33.79**	**$ 35,581**	**$31.56**	**$ 34,377**	**$18.53**	**$ 30,741**	**$30.66**	**$ 105,271**	**$25.65**	**$ 144,344**
Adjusted EBITDA[3,5]	**$31.96**	**$ 33,653**	**$39.98**	**$ 43,541**	**$19.03**	**$ 31,568**	**$32.72**	**$ 112,342**	**$26.26**	**$ 147,738**
Net (loss) Income	**$ (5.27)**	**$ (5,549)**	**$ 4.40**	**$ 4,796**	**$ 2.17**	**$ 3,599**	**$ 4.24**	**$ 14,544**	**$ 9.23**	**$ 51,964**
Basic Shares Outstanding ('000)		920,328		920,328		913,372		920,328		913,372
Net Income/Share ($/sh)		**$ (0.01)**		**$ 0.01**		**$ —**		**$ 0.02**		**$ 0.06**
Capex		**$ 11,769**		**$ 7,967**		**$ 19,682**		**$ 27,358**		**$ 60,352**
Free Funds Flow[3,6]	**$20.15**	**$ 21,221**	**$29.72**	**$ 32,373**	**$ 7.17**	**$ 11,886**	**$23.10**	**$ 79,322**	**$15.49**	**$ 87,174**
Total Cash[7]		**$ 151,423**		**$ 136,893**		**$ 141,488**		**$ 151,423**		**$ 141,488**
Available Cash		**$ 115,552**		**$ 105,388**		**$ 108,809**		**$ 115,552**		**$ 108,809**

1. Approximately 98% of Q3 2026 sales were through the Brazilian route vs 99% in Q3 2025.
2. Royalties include the impact of the 2.5% community social trust.
3. Non-GAAP (defined below) measure that does not have any standardized meaning prescribed by GAAP and therefore may not be comparable with the calculation of similar measures presented by other entities. See "Selected Financial Measures" section.
4. Net operating income represents revenues less royalties, operating expenses, and direct transportation.
5. Adjusted EBITDA is net operating income less general and administrative ("G&A") and plus/minus realized derivative impacts.
6. Free funds flow is defined as adjusted EBITDA less cash capital expenditures.
7. Includes restricted cash balances.

Additional financial and operational updates during and subsequent to the quarter ending September 30, 2026:

Block 95 Update

PetroTal produced an average of 11,465 bopd from the Bretaña field (Block 95; PetroTal 100% WI) in Q3 2026. Bretana production declined by approximately 725 bopd relative to the prior quarter, mainly due to natural declines, and in-line with expectations. In the first nine months of 2026, PetroTal's total production averaged 13,076 bopd, approximately 3% ahead of budget expectations.

During the quarter, PetroTal concluded a pulling campaign at the Bretaña field, replacing production tubing and electric submersible pumps in five wells. Remediation work in the wells improved production deliverability and was completed on schedule and on budget. Subsequently, PetroTal conducted stimulations over two water injection wells, with a view to increasing water injection capacity at the field. Following the completion of this work, PetroTal injected an average of 187,000 barrels of water per day in the month of September, a 6% increase compared with the prior month. These efforts are part of a larger, ongoing initiative to increase the Bretaña field's water injection capacity to a total of 320,000 barrels per day by the end of 2028.

PetroTal's development drilling campaign continues, with well 25-H having spud on September 21, 2026. The well is drilling ahead safely and is expected to reach target depth this month. It will then be placed on production, and the next well in our eight well campaign, 24-H, will spud shortly thereafter. This drilling campaign is expected to result in Bretaña field production of approximately 20,000 bopd by the end of the first quarter of 2027. PetroTal will update the market as appropriate.

Erosion Control Project

PetroTal has secured a significant proportion of the equipment and resource required to complete this key project and is negotiating with service providers to recommence the remainder of the construction work.

Financial Update

PetroTal ended Q3 2026 with a total cash position of $151.4 million, of which $115.6 million was unrestricted. This compares to $136.9 million total cash ($105.4 million unrestricted) at the end of Q2 2026.

Post period end PetroTal repaid the $36.6 million outstanding balance of the BanBif-COFIDE syndicated loan, resulting in unrestricted cash decreasing by approximately $11 million. The early repayment of this loan eliminates $3.9 million of future interest costs.

PetroTal reported a net loss of $5.5 million ($5.27/bbl) for Q3 2026 due to a total commodity price derivative loss of $14.9 million reflecting unrealized fair value losses on hedging of $10.6 million and realized losses of $4.8 million, partially offset by a $0.5 million gain on outstanding embedded derivatives. These unrealized losses do not affect operating cash flows, liquidity, covenant compliance or free funds flow generation and will fluctuate with changes in forward oil prices until settlement.

PetroTal initiated new hedges on approximately 0.9 million barrels of oil in Q3 2026. As at September 30, 2026, the Company maintains hedges on approximately 338,000 barrels over the remainder of 2026 and a total of 1.7 million barrels through 2027. The three way collars have a weighted average Brent floor price of $60/bbl and a ceiling of $78/bbl, with a cap of $98/bbl.

PetroTal continues to refine the 2027 budget plan and will provide additional details in due course.

Q3 2026 Webcast Link for November 9, 2026

PetroTal's management team will host a webcast to discuss Q3 2026 results on November 9, 2026 at 9am CT (Houston) and 3pm GMT (London). Please see the link below to register.

https://brrmedia.news/PTAL_Q3_26

ABOUT PETROTAL

PetroTal is a publicly traded, tri-quoted (TSX: TAL, AIM: PTAL and OTCQX: PTALF) oil and gas development and production Company domiciled in Calgary, Alberta, focused on the development of oil assets in Peru. PetroTal's flagship asset is its 100% working interest in the Bretaña Norte oil field in Peru's Block 95, where oil production was initiated in June 2018. In early 2022, PetroTal became the largest crude oil producer in Peru. The Company's management team has significant experience in developing and exploring for oil in Peru and is led by a Board of Directors that is focused on safely and cost effectively developing the Bretaña oil field. It is actively building new initiatives to champion community sensitive energy production, benefiting all stakeholders.
For further information, please see the Company's website at www.petrotal-corp.com, the Company's filed documents at www.sedarplus.ca, or below:

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READER ADVISORIES

FORWARD-LOOKING STATEMENTS: This press release contains certain statements that may be deemed to be forward-looking statements. Such statements relate to possible future events, including, but not limited to: oil production levels and production capacity; PetroTal's drilling, completions and other activities; well 25H drilling and timing; the sequencing and timing of the eight-well development drilling campaign; timing to restore Bretana production to approximately 20,000 bopd; water injection capacity targets; Area CXVII evaluation plans; plans and expectations with respect to the erosion control project; and expected interest savings from the repayment of the BanBif-COFIDE loan. In addition, statements relating to expected production, reserves, recovery, costs and valuation are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "believe", "expect", "plan", "estimate", "potential", "will", "should", "continue", "may", "objective", "intend" and similar expressions. The forward-looking statements provided in this press release are based on management's current belief, based on currently available information, as to the outcome and timing of future events. The forward-looking statements are based on certain key expectations and assumptions made by the Company, including, but not limited to, expectations and assumptions concerning the ability of existing infrastructure to deliver production and the anticipated capital expenditures associated therewith, the ability to obtain and maintain necessary permits and licenses, the ability of government groups to effectively achieve objectives in respect of reducing social conflict and collaborating towards continued investment in the energy sector, reservoir characteristics, recovery factor, exploration upside, prevailing commodity prices and the actual prices received for PetroTal's products, including pursuant to hedging arrangements, the availability and performance of drilling rigs, facilities, pipelines, other oilfield services and skilled labour, royalty regimes and exchange rates, the impact of inflation on costs, the application of regulatory and licensing requirements, the accuracy of PetroTal's geological interpretation of its drilling and land opportunities, current legislation, receipt of required regulatory approval, the success of future drilling and development activities, the performance of new wells, future river water levels, the Company's growth strategy, general economic conditions and availability of required equipment and services. PetroTal cautions that forward-looking statements relating to PetroTal are subject to all of the risks, uncertainties and other factors, which may cause the actual results, performance, capital expenditures or achievements of the Company to differ materially from anticipated future results, performance, capital expenditures or achievements expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development

projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses; and health, safety and environmental risks), business performance, legal and legislative developments including changes in tax laws and legislation affecting the oil and gas industry and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures, credit ratings and risks, fluctuations in interest rates and currency values, changes in the financial landscape both domestically and abroad, including volatility in the stock market and financial system, wars (including Russia's war in Ukraine and the Israeli-Hamas conflict), regulatory developments, commodity price volatility, price differentials and the actual prices received for products, exchange rate fluctuations, legal, political and economic instability in Peru, access to transportation routes and markets for the Company's production, changes in legislation affecting the oil and gas industry, changes in the financial landscape both domestically and abroad (including volatility in the stock market and financial system) and the occurrence of weather-related and other natural catastrophes. Readers are cautioned that the foregoing list of factors is not exhaustive. Please refer to the annual information form for the year ended December 31, 2025 and the management's discussion and analysis for the three months and nine months ended September 30, 2026 for additional risk factors relating to PetroTal, which can be accessed either on PetroTal's website at www.petrotal-corp.com or under the Company's profile on www.sedarplus.ca. The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

OIL REFERENCES: All references to "oil" or "crude oil" production, revenue or sales in this press release mean "heavy crude oil" as defined in National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101").

SHORT TERM RESULTS: References in this press release to peak rates, initial production rates, current production rates, 30-day production rates and other short-term production rates are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production of PetroTal. The Company cautions that such results should be considered to be preliminary.

FOFI DISCLOSURE: This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about PetroTal's prospective results of operations and production results, cash position, liquidity and components thereof, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs. FOFI contained in this press release was approved by management as of the date of this press release and was included for the purpose of providing further information about PetroTal's anticipated future business operations. PetroTal and its management believe that FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results. PetroTal disclaims any intention or obligation to update or revise any FOFI contained in this press release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein. All FOFI contained in this press release complies with the requirements of Canadian securities legislation, including NI 51-101. Changes in forecast commodity prices, differences in the timing of capital expenditures, and variances in average production estimates can have a significant impact on the key performance measures included in PetroTal's guidance. The Company's actual results may differ materially from these estimates.



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the interim period ended September 30, 2026

PetroTal

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MANAGEMENT'S REPORT

The accompanying unaudited condensed interim consolidated financial statements and all information in the management discussion and analysis and notes to the unaudited condensed interim consolidated financial statements are the responsibility of management. The unaudited condensed interim consolidated financial statements were prepared by management in accordance with IFRS® Accounting Standards, specifically IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") outlined in the notes to the unaudited condensed interim consolidated financial statements. Other financial information appearing throughout the report is presented on a basis consistent with the unaudited condensed interim consolidated financial statements.

Management maintains appropriate systems of internal controls. Policies and procedures are designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the presentation of unaudited condensed interim consolidated financial statements.

The Audit Committee reviewed the unaudited condensed interim consolidated financial statements with management and with the auditors. The Board of Directors has approved the unaudited condensed interim consolidated financial statements on the recommendation of the Audit Committee.

Signed "Manuel Pablo Zuniga-Pflucker"
Manuel Pablo Zuniga-Pflucker
President and Chief Executive Officer

Signed "Camilo McAllister"
Camilo McAllister
Executive VP and Chief Financial Officer

November 6, 2026

CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS

(In thousands of U.S. $ - unaudited)

	Note	September 30, 2026	December 31, 2025
ASSETS			
Current			
Cash	4	$ 115,552	$ 112,400
Restricted cash	4	29,871	17,039
Trade and other receivables	5	57,912	56,862
Income tax receivable	18	11,878	—
Inventory	6	16,580	12,233
Prepaid expenses	7	8,521	10,383
Derivative assets	8	—	967
Total current assets		240,314	209,884
Non-current			
Restricted cash	4	6,000	9,685
Trade and other receivables	5	21,948	24,307
Exploration and evaluation assets	9	12,312	11,410
Property, plant and equipment, net	10	492,731	541,781
Deferred income tax assets	18	—	1,077
Prepaid expenses	7	6,192	7,000
Total non-current assets		539,183	595,260
Total assets		**$ 779,497**	**$ 805,144**
LIABILITIES and EQUITY			
Current			
Trade and other payables	12	$ 55,994	$ 58,384
Income tax payables	18	5,967	12,510
Lease liabilities	14	7,830	12,457
Short-term derivative liabilities	8	12,210	—
Short-term debt	11	34,627	11,408
Total current liabilities		116,628	94,759
Non-current			
Long-term debt	11	—	31,632
Long-term derivative liabilities	8	8,968	21,710
Lease liabilities	14	27,742	43,267
Decommissioning liabilities	13	44,074	42,768
Deferred income tax liabilities	18	46,817	53,093
Other long-term liabilities		3,725	2,649
Total non-current liabilities		131,326	195,119
Total liabilities		247,954	289,878
Equity			
Share capital	15	138,228	138,228
Contributed surplus		15,826	14,093
Retained earnings		377,489	362,945
Total equity		531,543	515,266
Total liabilities and equity		**$ 779,497**	**$ 805,144**

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EARNINGS AND OTHER COMPREHENSIVE INCOME

(In thousands of U.S. $, except per share amounts - unaudited)

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Note	2026	2025	2026	2025
REVENUES					
Oil revenues, net of royalties and social fund	16	$ 60,233	$ 63,910	$ 184,643	$ 232,454
Total revenues		60,233	63,910	184,643	232,454
EXPENSES					
Operating		13,668	13,834	35,609	44,549
Erosion	19	1,480	6,481	5,882	9,002
Direct transportation		1,647	5,582	1,622	9,934
General and administrative		6,368	7,271	21,934	24,625
Net finance expenses		4,317	1,789	8,130	4,630
Commodity price derivatives loss	8	14,921	2,082	11,229	3,152
Depletion, depreciation and amortization		15,495	19,168	50,069	63,358
Impairment	10	—	—	10,170	—
Loss on disposal of property, plant and equipment	10	1,095	—	7,384	—
Other expense (income)	17	394	—	(3,229)	—
Foreign exchange loss (gain)		343	35	759	(903)
Total expenses		59,728	56,242	149,559	158,347
Income before income taxes		**505**	**7,668**	**35,084**	**74,107**
Current income tax expense	18	8,338	6,328	25,739	34,352
Deferred income tax recovery	18	(2,284)	(2,259)	(5,199)	(12,209)
Net (loss) income and comprehensive income		**$ (5,549)**	**$ 3,599**	**$ 14,544**	**$ 51,964**
Earnings per common share:					
Basic		$ (0.01)	$ 0.00	$ 0.02	$ 0.06
Diluted		$ (0.01)	$ 0.00	$ 0.02	$ 0.06
Weighted average common shares outstanding (in thousands):					
Basic		920,328	913,362	919,028	914,848
Diluted		920,328	936,058	941,414	935,678

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousands of U.S. $, except per share amounts - unaudited)

	Note	Nine Months Ended September 30, 2026	2025
Share capital			
Balance, beginning of period		$ 138,228	$ 139,198
Repurchase of shares	15	—	(767)
Balance, end of period		$ 138,228	$ 138,431
Contributed surplus			
Balance, beginning of period		$ 14,093	$ 11,332
Share based compensation plan	15	1,733	1,657
Balance, end of period		$ 15,826	$ 12,989
Retained earnings			
Balance, beginning of period		$ 362,945	$ 360,978
Dividends	15	—	(42,195)
Net income and comprehensive income		14,544	51,964
Repurchase of shares	15	—	(1,522)
Balance, end of period		$ 377,489	$ 369,225
Total equity		**$ 531,543**	**$ 520,645**

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of U.S. $ - unaudited)

	Note	Nine Months Ended September 30, 2026	2025
Cash flows from operating activities			
Net income		$ 14,544	$ 51,964
Adjustments for:			
Depletion, depreciation and amortization		50,069	63,358
Impairment	10	10,170	—
Accretion of decommissioning liabilities	13	1,780	1,593
Share based compensation plan		2,810	3,079
Commodity price unrealized derivative loss	8	436	3,466
Net finance expenses		7,732	3,814
Deferred income tax recovery	18	(5,199)	(12,209)
Loss on disposal of property, plant and equipment	10	7,384	—
Changes in working capital:			
Trade and other receivables		(1,030)	29,973
Prepaid expenses		3,249	(4,581)
Inventory		(3,836)	1,279
Trade and other payables		522	3,996
Income tax		25,847	33,343
Cash paid for income taxes		(44,268)	(33,330)
Net cash provided by operating activities		70,210	145,745
Cash flows from investing activities			
Property, plant and equipment additions	10	(32,118)	(59,701)
Exploration and evaluation asset additions	9	(902)	(651)
Proceeds from the sale of property, plant and equipment	10	14,000	—
Non-cash changes in working capital		(3,490)	(41,214)
Net cash used in investing activities		(22,510)	(101,566)
Cash flows from financing activities			
Interest and fees paid		(2,524)	(1,619)
Repayment of debt principal		(8,558)	(13,540)
Funds received from credit facility		—	50,000
Debt issuance costs		—	(923)
Dividends paid		—	(41,348)
Repurchase of shares		—	(2,289)
Payment of current lease liabilities	14	(24,319)	(7,500)
Net cash used in financing activities		(35,401)	(17,219)
Increase in cash		12,299	26,960
Cash, beginning of period		112,400	102,783
Increase in restricted cash	4	(9,147)	(20,934)
Cash, end of period		**$ 115,552**	**$ 108,809**

See accompanying notes to the condensed interim consolidated financial statements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2026 and 2025.
All amounts are stated in thousands of U.S. $, unless otherwise indicated.

1. CORPORATE INFORMATION

PetroTal Corp. and its subsidiaries (the "Company" or "PetroTal") are engaged in the exploration, appraisal and development of oil in Peru, South America. The Company is a publicly-traded energy company, incorporated and domiciled in Canada, with management offices in Houston, Texas, and Lima, Peru. The Company's registered office is located at 4200 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta, Canada.

These unaudited condensed interim consolidated financial statements (the "Financial Statements") were approved for issuance by the Company's Board of Directors on November 6, 2026, based on the recommendation of the Audit Committee.

2. BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

These Financial Statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. They do not contain all disclosures required by IFRS Accounting Standards for annual financial statements and, accordingly, should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2025. Those annual consolidated financial statements outline the Company's material accounting policies, accounting judgments, and key sources of estimation uncertainty in Note 2, which have been applied consistently in these Financial Statements, except for:

Assets held for sale

The Company classifies assets as held for sale if it is highly probable their carrying amounts will be recovered through a disposition rather than through future operating cash flows. This condition is met when the sale is highly probable, the asset is available for immediate sale in its present condition and the sale is expected to be completed within one year from the date of classification. Assets held for sale are measured at the lower of the carrying amount and recoverable amount, with impairments or impairment reversals recognized in the condensed interim consolidated statements of earnings and other comprehensive income.

Assets held for sale are classified as current assets and are not subject to depletion and depreciation. Liabilities associated with assets held for sale are classified as current liabilities.

Upon classification, the Company assesses whether the assets held for sale represent a major component of the business. If this criteria is met, the operating results attributable to the assets held for sale are presented as discontinued operations, with prior periods reclassified to conform with current period presentation.

BASIS OF MEASUREMENT

These Financial Statements have been prepared on a going concern basis and on a historical cost basis except for certain financial instruments that have been measured at fair value.

PRINCIPLES OF CONSOLIDATION

The Financial Statements include the accounts of the Company and its subsidiaries. The Financial Statements of the subsidiaries are prepared for the same reporting period as the parent, using consistent accounting practices.

Intercompany balances and transactions, including any unrealized gains or losses arising from transactions with the Company's subsidiaries, are eliminated on consolidation.

3. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

NEW ACCOUNTING STANDARD ISSUED BUT NOT EFFECTIVE

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements*, which is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. Management has substantially completed its assessment of the expected impact of IFRS 18 and has developed an implementation roadmap to support adoption in 2027. Based on the assessment performed to date, the Company expects IFRS 18 to primarily affect the presentation, classification and disclosure of information within the consolidated financial statements and accompanying notes. Management has performed a preliminary assessment of the revised statement of profit presentation required under IFRS 18, including the new mandatory subtotals of Operating Profit and Profit Before Financing and Income Taxes, and has evaluated the classification requirements applicable to certain Company-specific transactions and balances. The Company has also evaluated the amendments to IAS 7, which are expected to affect the presentation of cash flows from operating activities under the indirect method, as well as the disclosure requirements relating to Management-defined Performance Measures.

The Company does not currently expect the adoption of IFRS 18 to have a material impact on the recognition or measurement of its assets, liabilities, revenues, expenses or cash flows. Management continues to refine reporting templates, disclosure controls, comparative information and related reporting processes. Based on the assessment completed to date, management has not identified any significant implementation issues. The ultimate impact of adopting the standard may change as the remaining implementation activities are completed.

4. CASH AND RESTRICTED CASH

	September 30, 2026	December 31, 2025
Cash	$ 115,552	$ 112,400
Restricted cash current	29,871	17,039
Restricted cash non-current	6,000	9,685
Total cash and restricted cash	$ 151,423	$ 139,124

Current restricted cash of $29.9 million primarily consists of funds held in an escrow account related to the loan financing the erosion control project, and cash pledged for letters of credit related to the Block 107 exploration wells. The $6.0 million of non-current restricted cash is related to permitted hedging programs (see Note 8, *Commodity Price Derivatives*) and funds designated for the erosion control project.

5. TRADE AND OTHER RECEIVABLES

	September 30, 2026	December 31, 2025
Trade receivables	$ 65,948	$ 61,586
VAT receivables	12,494	17,980
Other receivables	1,418	1,603
Total trade and other receivables	$ 79,860	$ 81,169
Represented as:		
Current receivables	$ 57,912	$ 56,862
Non-current receivables	21,948	24,307
Total trade and other receivables	$ 79,860	$ 81,169

Trade receivables arise from the sale of crude oil. As of September 30, 2026, trade receivables totaled $65.9 million and consisted of $45.1 million related to export sales through Brazil and $20.8 million due from Petroperu. $47.5 million is expected to be collected within twelve months and is classified as current, with the remaining $18.4 million classified as non-current. No credit losses have been recognized on the Company's trade receivables as of September 30, 2026 or December 31, 2025.

Value Added Tax ("VAT") in Peru is generally recoverable against VAT charged on sales or through refunds from the tax authorities. During the nine months ended September 30, 2026, the Company paid $11.0 million of VAT on purchases and recovered $16.4 million through offsets and refunds. The Company expects to recover an additional $8.9 million of VAT within the next twelve months. Accordingly, this amount has been classified as a current asset.

6. INVENTORY

	September 30, 2026	December 31, 2025
Materials, parts and supplies	$ 12,994	$ 11,092
Oil inventory	3,586	1,141
Total inventory	$ 16,580	$ 12,233

Materials, parts and supplies primarily consist of items used in drilling, production and maintenance activities, are expected to be consumed in the short term. These inventories are measured at the lower of cost and net realizable value, with provisions recognized for obsolete, damaged or slow-moving items where appropriate.

Oil inventory consists of crude oil held in storage tanks and is measured at the lower of cost and net realizable value. Inventory costs include operating expenses, royalties, transportation and depletion associated with production and are recognized as expense when the inventory is sold. As of September 30, 2026, the Company's oil inventory balance was $3.6 million, representing 54.7 thousand barrels valued at $65.54 per barrel, compared to $1.1 million, representing 35.6 thousand barrels at $32.10 per barrel, as of December 31, 2025.

7. PREPAID EXPENSES

	September 30, 2026	December 31, 2025
Advances to contractors	11,405	7,401
Prepaid expenses and others	3,308	2,854
Erosion control project advances	—	7,128
Total prepaid expenses	$ 14,713	$ 17,383
Represented as:		
Current prepaid expenses	$ 8,521	$ 10,383
Non-current prepaid expenses	6,192	7,000
Total prepaid expenses	$ 14,713	$ 17,383

As of September 30, 2026, advances to contractors included $6.2 million related to power plant projects classified as long-term and $3.3 million associated with the current drilling campaign. Prepaid expenses and other primarily consists of $1.9 million for rent and $1.4 million in Peruvian income tax prepayments. Details of the advances for the erosion control project are provided in Note 19.

8. RISK MANAGEMENT

The table below presents the Company's carrying amount and fair values of financial instruments including cash and restricted cash, trade and other receivables, derivatives, debt, and trade and other payables. These instruments are classified as financial assets and liabilities and are measured at either amortized cost or fair value. The Company is exposed to various financial risks arising from its normal-course business activities.

	September 30, 2026		December 31, 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Cash and restricted cash	$ 151,423	$ 151,423	$ 139,124	$ 139,124
Trade and other receivables	48,403	48,403	41,878	41,878
Short-term derivative assets	—	—	967	967
Trade receivable long-term	18,963	18,963	21,311	21,311
Short-term derivative liabilities	12,210	12,210	—	—
Short and long-term debt	34,627	34,627	43,040	43,040
Trade and other payables	55,994	55,994	58,384	58,384
Long-term derivative liabilities	8,968	8,968	21,710	21,710

COMMODITY PRICE DERIVATIVES

The derivative assets and liabilities are classified as a Level 2 fair value measurement. The Petroperu Saramuro agreement, signed in 2021, includes a purchase price adjustment clause. The initial sales price is based on the arithmetic average of Intercontinental Exchange ("ICE") Brent Crude 8-month forward price, while the realized price is based on the tender price of the oil sold at the Bayovar terminal. The purchase price adjustment is calculated as the realized price less the initial sales price. If the purchase price adjustment is negative, the Company compensates Petroperu for the amount multiplied by the volume sold or arranged by Petroperu. Conversely, if the purchase price adjustment is positive, the Company is compensated by Petroperu.

The fair value of the embedded derivative, reflecting the average future Brent price differential, was recorded as a loss on commodity price derivatives as of September 30, 2026 and September 30, 2025.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net derivative liability at beginning of period	$ (11,140)	$ (10,300)	$ (20,743)	$ (8,916)
Cash settlements to be paid	2,022	—	2,022	(315)
Cash settlements paid	2,861	—	8,772	—
Realized (loss) gain	(4,882)	—	(10,792)	315
Unrealized loss	(10,039)	(2,082)	(437)	(3,466)
Net derivative liability at end of period	$ (21,178)	$ (12,382)	$ (21,178)	$ (12,382)

The Company's corporate hedging program resulted in commodity price derivative losses of approximately $14.9 million for the three months ended September 30, 2026 and $11.2 million for the nine-month period. These losses comprised realized losses of $4.9 million and $10.8 million, respectively, and unrealized fair value losses of $10.0 million and $0.4 million, respectively. Unrealized gains and losses represent non-cash changes in the fair value of commodity derivative contracts and the embedded derivative associated with historical Petroperu sales contracts and are subject to fluctuations in forward oil prices until settlement.

	September 30, 2026	December 31, 2025
Short-term derivative assets	—	967
Short-term derivative liabilities	(12,210)	—
Long-term derivative liabilities	(8,968)	(21,710)
Net derivative liability at end of period	$ (21,178)	$ (20,743)

Sales delivery / Executed month	Expected settlement month	Volume (bbls. in thousands)	Price range $/bbl. [3]	Hedged range $/bbl. [4]	Net derivative asset (liability)
Peru Embedded Derivatives [1]					
Apr-21 to Feb-22	Aug-30 to Apr-31	1,882	$62.49 to $85.26	$69.14 to $70.40	$ (8,391)
Corporate Derivatives Hedging [2]					
Oct-26 to Dec-27	Oct-26 to Dec-27	1,815	—	$55.00 to $106.00	(12,787)
				Net derivative liability	$ (21,178)

[1] Embedded derivative related to original Petroperu sales agreement.

As of September 30, 2026 and December 31, 2025, approximately 1.9 million barrels remain in the pipeline or storage tanks, awaiting final sale by Petroperu. During the nine months ended September 30, 2026, the Peru embedded derivative generated a favorable fair value adjustment primarily due to updated assumptions related to future lifting schedules and revised forward oil price expectations. The net result is a net liability of $8.4 million as of September 30, 2026 versus a net liability of $21.7 million as of December 31, 2025. A 1.0% change in the Peru embedded derivative hedged range price would result in an estimated $1.7 million change to the net derivative liability. Derivative gains and losses are only realized when oil is effectively sold to third parties at Bayovar.

(2) Corporate Hedge Program

As of September 30, 2026, the Company's Brent oil hedging program included contracts covering 1.8 million barrels. These positions consist of four three-way collars with the following strike price ranges:

Put Price (Floor): $55.00 to $65:00/bbl.

Call Price (Ceiling): $72.10 to 86.00/bbl.

Call Ceiling Price (Cap): $92.10 to $106.00/bbl.

As of September 30, 2026, the fair value of these derivative instruments was recognized as a net liability of $12.8 million.

(3) Represents the price per barrel at which the oil was originally sold.

(4) The hedged price range for the Peru embedded derivatives corresponds to the Brent futures price curves as of August, October, and December 2030, and April 2031.

FOREIGN EXCHANGE RATE RISK

The Company's functional currency is the United States dollar. Foreign exchange gains or losses may arise from the translation of working capital items denominated in currencies other than the functional currency of the jurisdiction in which the working capital item is held.

LIQUIDITY RISK

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's liquidity risk is affected by current and future commodity prices. If required, the Company may consider additional short-term financing or issuing equity to meet its future obligations. Declines in future commodity prices could affect the Company's ability to fund ongoing operations. The current economic environment may have significant adverse impacts on the Company including, but not exclusively:

- material declines in revenue and cash flows due to lower commodity prices;
- declines in revenue and operating activities resulting from constrained capital programs and oil production;
- inability to access financing sources; and,
- increased risk of non-performance by the Company's customers and suppliers.

Estimates and judgments made by management in the preparation of the Financial Statements are subject to a certain degree of measurement uncertainty during this volatile period.

CREDIT RISK

Credit risk is the risk that a customer or counterparty will fail to perform an obligation or fail to pay amounts due, resulting in a financial loss to the Company. The Company's VAT receivable is primarily for sales tax credits on exploration and drilling expenses incurred in the current year and prior years. These credits are applied to future oil development activities or recovered in accordance with the current sales tax recovery legislation.

The Company's trade receivable balance primarily relates to oil sales and purchase price adjustments with two customers: Petroperu, a state-owned company, and Novum Energy Trading Corp, an oil trading company. The Company has a long-term sales agreement for oil exports through Brazil, with sales on a free on board ("FOB") Bretana basis. Sales to the Iquitos refinery or into the port of Pucallpa are due 60 days after final delivery. Sales through the Oleoducto Norperuano Pipeline ("ONP") are due 240 days after final delivery to the Bayovar terminal.

In the third quarter of 2026, PetroTal sold substantially all of its oil through two primary routes: 98.1% via the Brazil export route, and 1.9% to the local Iquitos refinery. Sales via the ONP remained inactive during the period, while sales to the local Iquitos refinery continued throughout Q3 2026. The Company has not experienced any material credit losses on trade receivables and periodically assesses the recoverability through customer discussions, credit rating agency reports and other third-party information.

Impairment of a financial asset is recognized only when there is objective evidence of impairment, the loss event impacts on future cash flow and can be reliably estimated. Evidence of impairment may include default or delinquency by a debtor or indicators that the debtor may enter bankruptcy. Management believes there is no significant risk on the recoverability of the Company's receivables; accordingly, no impairment has been recorded.

The Company deposits cash and restricted cash with a limited number of financial institutions. The maximum credit exposure associated with financial assets is their carrying value. As of Q3 2026, the Company's cash and restricted cash are predominantly denominated in U.S. dollars, with financial institutions located across the U.S., Canada and Peru.

9. EXPLORATION AND EVALUATION ASSETS

	Exploration and Evaluation Assets
Balance at January 1, 2025	$ 10,406
Additions	1,004
Balance at December 31, 2025	$ 11,410
Additions	902
Balance at September 30, 2026	$ 12,312

Exploration and evaluation ("E&E") assets represent costs incurred in connection with the exploration for and evaluation of oil and gas resources. These assets are capitalized pending the determination of technical feasibility and commercial viability of the related projects or an assessment of their recoverability. As of September 30, 2026 and December 31, 2025, the Company determined there were no impairment indicators of the E&E balance.

10. PROPERTY, PLANT AND EQUIPMENT

	Petroleum Properties	Right of Use Assets	Other Assets	Total
Balance at January 1, 2025	$ 471,981	$ 59,568	$ 5,469	$ 537,018
Additions	74,231	6,563	403	81,197
Revisions to decommissioning obligations	6,232	—	—	6,232
Revisions to right of use asset	—	25	—	25
Depletion, depreciation and amortization	(77,104)	(5,039)	(548)	(82,691)
Balance at December 31, 2025	$ 475,340	$ 61,117	$ 5,324	$ 541,781
Additions	31,478	1,256	640	33,374
Revisions to decommissioning obligations	(474)	—	—	(474)
Revisions to right of use asset	—	184	—	184
Disposal	(11,766)	(9,618)	—	(21,384)
Impairment	(2,893)	(7,277)	—	(10,170)
Depletion, depreciation and amortization	(47,028)	(2,335)	(1,217)	(50,580)
Balance at September 30, 2026	$ 444,657	$ 43,327	$ 4,747	$ 492,731

Depreciation, depletion and amortization expenses included in inventory were immaterial as of September 30, 2026 and December 31, 2025.

On May 25, 2026, the Company sold the Amazonia drilling rig for total gross proceeds of $14.0 million. As a result, the Company recognized an impairment loss of $10.2 million, as the asset's carrying amount exceeded its recoverable amount. Upon disposition, the carrying amounts of the assets sold were $4.4 million and $9.6 million for Petroleum Properties and Right of Use Assets, respectively.

In the second quarter of 2026, management dismantled and scrapped the Batará loading and unloading barge. Accordingly, the Company recognized a write-off of $6.2 million, representing the asset's remaining carrying value. During the third quarter of 2026, the Company recognized an additional loss of $1.1 million, primarily related to other fixed asset write-offs.

As of September 30, 2026, there were no further indicators of impairment.

11. DEBT

	September 30, 2026	December 31, 2025
Short-term debt	$ 34,627	$ 11,408
Long-term debt	—	31,632
Total debt	$ 34,627	$ 43,040

As of September 30, 2026, the Company had $34.6 million outstanding under the loan related to the erosion control project. The outstanding principal balance approximates fair value. The loan agreement includes financial covenants requiring the Company to maintain: (i) a minimum current ratio of 1.2x, (ii) a maximum liabilities-to-equity ratio of 2.0x, and (iii) a minimum debt service coverage ratio of 1.2x. As of the reporting date, the Company was in compliance with all applicable covenant requirements.

Subsequent to September 30, 2026, the Company voluntarily prepaid in full the BanBif-COFIDE syndicated facility. Further details regarding the transaction are disclosed in Note 20. Following the repayment of the BanBif-COFIDE facility, PetroTal is no longer subject to the facility-specific financial covenant requirements previously applicable under the syndicated loan agreement.

The Company has $30.5 million of available credit under its credit facilities, each with a one-year term and renewal options. The loan agreements contain no debt covenants. The credit facilities are intended to fund short-term working capital needs, subject to bank approval at the time of each draw. Borrowings under the facilities bear interest at each bank’s effective annual rate. The applicable rate is determined at the time of draw based on the Company’s credit profile and prevailing market conditions, in accordance with local banking regulations. As of September 30, 2026, the effective annual rates offered by the banks ranged from 5.95% to 8.65%.

12. TRADE AND OTHER PAYABLES

	September 30, 2026	December 31, 2025
Trade payables	$ 13,316	$ 19,501
Accrued payables and other obligations	42,678	38,883
Total trade and other payables	$ 55,994	$ 58,384

As of September 30, 2026 and December 31, 2025, trade payables and other payables were primarily related to the Company's operating activities.

13. DECOMMISSIONING LIABILITIES

The Company recognizes decommissioning liabilities related to the future abandonment and restoration of its oil and gas properties. The undiscounted, uninflated value of estimated decommissioning liabilities was $71.4 million as of September 30, 2026 and December 31, 2025. The present value of the liabilities was calculated using average risk-free rates between 5.3% to 5.8% as of September 30, 2026 and 5.3% to 5.7% as of December 31, 2025, to reflect the market assessment of the time value of money as well as risks specific to the liabilities that have not been included in the cash flow estimates. The inflation rate used in determining the cash flow estimate was 2.0%. The revisions to the decommissioning liabilities include changes to cost estimates, the risk-free rates and adjustments for inflation. The obligations are primarily expected to be settled at the end of the exploration licenses between 2037-2041.

		Decommissioning Liabilities
Balance at January 1, 2025	$	34,383
Revisions to decommissioning liabilities		6,232
Accretion of decommissioning liabilities		2,153
Balance at December 31, 2025	$	42,768
Revisions to decommissioning liabilities		(474)
Accretion of decommissioning liabilities		1,780
Balance at September 30, 2026	$	44,074

14. LEASE LIABILITIES

The lease liabilities relate primarily to drilling equipment, power generation equipment and office premises located in Houston, Texas and Lima, Peru. The leases have remaining terms ranging from two to five years.

Lease liabilities are measured at the present value of future lease payments, discounted using the applicable incremental borrowing rate at lease commencement, which ranges from 8.5% to 9.5%.

During the second quarter of 2026, the Company settled a lease liability of $16.9 million in connection with the sale of the Amazonia drilling rig, resulting in the extinguishment of all lease obligations associated with that asset.

Balance at January 1, 2025	$	54,641
Additions		6,563
Revisions		25
Payments		(10,061)
Interest on leases		4,556
Lease liabilities at December 31, 2025	$	55,724
Additions		1,440
Payments		(24,319)
Interest on leases		2,727
Lease liabilities at September 30, 2026	$	35,572
Represented as:		
Current liability	$	7,830
Non-current liability		27,742
Total lease liabilities	$	35,572

The following is a summary of minimum undiscounted annual lease payments by year as of September 30, 2026:

Year		
2026	$	4,386
2027		8,749
2028		8,187
2029		8,073
2030		6,970
Thereafter		7,451
Total	$	43,816

15. SHARE CAPITAL

Authorized share capital consists of an unlimited number of common shares without nominal or par value. Holders of common shares are entitled to one vote per share and to receive dividends as declared by the Board of Directors.

	Thousands of Common Shares		Share Capital
Balance at January 1, 2025	911,783	$	139,198
Vesting of performance share units	6,094		—
Repurchase of shares	(4,901)		(970)
Balance at December 31, 2025	912,976	$	138,228
Vesting of performance share units	7,352		—
Balance at September 30, 2026	920,328	$	138,228

DIVIDENDS

The Company suspended its dividend policy in November 2025. Accordingly, no dividends were declared or paid during 2026. During the three and nine months ended September 30, 2025, the Company paid dividends ($0.015 per share) to shareholders in the amount of $14.1 million and $42.2 million, respectively.

NORMAL COURSE ISSUER BID ("NCIB")

The Company did not purchase common shares during the three and nine months ended September 30, 2026. During the three and nine months ended September 30, 2025, the Company purchased 1.2 million and 4.5 million common shares under the NCIB for total consideration of $0.6 million and $2.3 million, respectively. The surplus between the total consideration and the carrying value of the shares repurchased was recorded against retained earnings. PetroTal's normal course issuer bid expired on June 2, 2026.

SHARE BASED COMPENSATION

The Company has granted performance share units ("PSUs") to certain employees and deferred share units ("DSUs") to non-employee directors under the Company's share-based compensation plans.

PSUs vest either after three years or in equal annual installments over three years. PSUs may include dividend equivalent units ("DEUs") that are settled in common shares. The number of PSUs, including DEUs, that ultimately vest is determined based on the achievement of specified performance conditions. These conditions

consist of key performance indicators ("KPIs") approved annually by the Board of Directors and are based on internal operational, financial, and strategic performance objectives. These KPI factors are non-market conditions and, once established for the performance period, are not subject to subsequent market-based volatility. Share-based compensation expense is adjusted during the year to reflect the final number of awards expected to vest based on Board-approved performance outcomes, and the final number of shares follows the applicable vesting schedule.

DSUs are granted to non-employee directors under the Company's DSU plan. DSUs are fully vested upon grant and are redeemable upon a holder ceasing to be a director of the Company. DSUs may include DEUs that are settled in cash at the prevailing market price of the Company's common shares.

The following table details the PSU and DSU activity and outstanding balances as of December 31, 2025, and September 30, 2026:

	Performance Share Units	Deferred Share Units
Balance at January 1, 2025	18,279,003	5,071,435
Additions	13,583,304	2,322,526
Issued	(12,519,467)	—
Forfeited	(3,434,940)	—
Balance at December 31, 2025	15,907,900	7,393,961
Additions	13,497,063	1,593,885
Forfeited	(3,112,721)	—
Balance at September 30, 2026	26,292,242	8,987,846

The Company recognized $3.5 million and $3.1 million of share-based compensation expense during the nine months ended September 30, 2026 and 2025, respectively, which is included in general and administrative expenses in the Condensed Interim Consolidated Statements of Earnings and Other Comprehensive Income.

16. REVENUE NET OF ROYALTIES AND SOCIAL FUND

Oil revenue is recognized in accordance with the terms of the applicable sales contracts. The transaction price is generally based on prevailing market benchmark commodity prices for the production month and is adjusted for quality differentials, transportation costs and other contractually specified deductions, as applicable.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Oil revenue	$ 66,391	$ 71,871	$ 205,168	$ 261,932
Royalty	(4,430)	(5,915)	(14,861)	(22,496)
Social fund	(1,728)	(2,046)	(5,664)	(6,982)
Total oil revenue net of royalties and social fund	$ 60,233	$ 63,910	$ 184,643	$ 232,454

The Company sold 1.1 million and 3.4 million barrels of oil during the three and nine months ended September 30, 2026, respectively, at a net realized sales price of $63.05 per barrel and $59.75 per barrel, respectively, net of price discounts. During the three and nine months ended September 30, 2025, the Company sold 1.7 million

and 5.6 million barrels of oil, respectively, at a net realized sales price of $43.33 per barrel and $46.55 per barrel, respectively, net of price discounts.

17. OTHER EXPENSE (INCOME)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Income from performance bond execution [1]	$ —	$ —	$ (5,482)	$ —
Other expense	394	—	53	—
Contract termination settlement expense [2]	—	—	2,200	—
Total other expense (income)	$ 394	$ —	$ (3,229)	$ —

[1] During the nine months ended September 30, 2026 the Company recognized income of $5.5 million from the execution of a performance bond triggered by the EBD Consortium. This amount was recognized after the recovery of $6.5 million in advances previously disbursed to the EBD Consortium. Further details regarding the erosion control project are provided in Note 19.

[2] During the nine months ended September 30, 2026 expense of $2.2 million recognized in connection with a settlement agreement reached with a supplier following the termination of a rig operation and maintenance contract.

18. TAXES

The Company's effective tax rate is impacted by the relative pre-tax income earned by the Company's operations in Canada, U.S. and Peru. The Company is subject to statutory tax rates of 23.0% in Canada, 21.0% in the U.S. and 32.0% in Peru (activities of the Company in Peru are subject to a 30.0% statutory tax rate plus 2.0% in accordance with Law 27343). The Company files federal income tax returns and local income tax returns in the various jurisdictions.

The tax at the effective rate differed from the tax at the statutory rate as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Earnings before income taxes	$ 505	$ 7,668	$ 35,084	$ 74,107
Canadian corporate tax rate	23 %	23 %	23 %	23 %
Expected income tax expense	$ 116	$ 1,764	$ 8,069	$ 17,045
Increase in taxes resulting from:				
Non-deductible expenses and other	1,953	939	5,660	1,928
Tax differential on foreign jurisdictions	1,206	1,366	3,941	3,170
Change in valuation allowance and NOL reduction	2,779	—	2,870	—
Provision for income taxes	$ 6,054	$ 4,069	$ 20,540	$ 22,143

The Company recognized the deferred tax liabilities in Canada, Peru, and the U.S arising from temporary differences. During 2025, the Company exhausted all net operating losses ("NOLs") in the U.S. and all non-capital losses in Canada. As such, there are no NOLs to utilize in 2026.

Ucawa has $96.1 million in tax losses as of September 30, 2026, and December 31, 2025, and no deferred tax asset has been recognized. These losses are being carried forward and are available to offset against future tax gains.

As of September 30, 2026, the aggregate amount of temporary differences related to investments in subsidiaries for which deferred tax liabilities have not been recognized was approximately $13.7 million, compared to $56.4 million as of December 31, 2025.

As of September 30, 2026, the Company had an income tax receivable of $11.9 million, primarily attributable to 2026 income tax prepayments, and income tax payable of $6.0 million. The receivable and payable are presented separately because they relate to different tax jurisdictions. As of December 31, 2025, the Company had an income tax payable balance of $12.5 million.

19. COMMITMENTS AND CONTINGENCIES

Drilling Operation

As part of its ongoing development activities, the Company has entered into a service agreement with a third party for the drilling activities. As of September 30, 2026, the Company had $14.6 million of remaining obligations under an executed work order. This amounts represents a future obligation pursuant to an executed contract associated with the Company's operating and capital programs.

E&E and Other Commitments

As of September 30, 2026, the Company has outstanding exploration commitments related to Block 107, with a contractual expiry date of October 31, 2027. In support of these commitments, the Company holds the following letters of credit:

Block	Beneficiary	Amount	Commitment	Expiration of letters of credit
107	Perupetro S.A.	$ 1,500	1st exploration well, minimum work 5th exploratory period	July 2027
107	Perupetro S.A.	1,500	2nd exploration well, minimum work 5th exploratory period	July 2027
		$ 3,000		

In December 2024, PetroTal signed two Technical Evaluation Agreements ("TEAs") with Perupetro for Areas XCVII and XCVIII in Peru's Ucayali Basin, located near and along the same geological trend as PetroTal's Blocks 107, 131 and Agua Caliente fields. In September 2025, the Company signed two additional TEAs for Areas CI and CII in the Marañón Basin, located near and along the same geological trend as PetroTal's Bretaña Field. All TEAs comprise two periods of 12-months, with an option to extend for an additional 12 months, and include geological and geophysical studies such as seismic reprocessing, geochemical modeling, and hydrocarbon potential assessments.

Erosion Control Project

The Company has temporarily suspended its preventive riverbank erosion control program at the Bretaña field and surrounding community following the termination of its agreement with the EBD Consortium due to the contractor's documented breaches, including its failure to achieve the contractual progress milestones and to comply with its payment obligations to subcontractors and workers. As a result of such termination, the Company fully recovered the advances previously disbursed to the EBD Consortium through the execution of a $12.0 million letter of credit issued in its favor, against which those advances were applied and offset (Note 17). The Company is currently reassessing the project scope and conducting a competitive tender process for the selection of a replacement contractor.

Ucawa Assets Acquisition

In addition, no material changes have occurred regarding the Ucawa Energy S.A.C. asset acquisition disclosed in Note 19 - Commitments and Contingencies of the 2025 Annual Consolidated Financial Statements.

20. SUBSEQUENT EVENTS

On 1 October, the Company signed a new TEA covering Area CXVII in the Marañón Basin, located adjacent to the Company´s Block 95 asset. The TEA provides exclusive evaluation rights for 24 months, extendable by up to 12 months, plus an option to negotiate license contracts directly. Work is limited to desk-based studies, including legacy 2D seismic reprocessing and historical well evaluation, with no field activities. The area contains two structures where historical exploration wells encountered hydrocarbons and tested oil, with prospectivity in both the Vivian formation, which produces at Bretaña, and the deeper Chonta formation, which produces in Blocks 8 and 192.

Subsequent to September 30, 2026, the Company completed the voluntary full prepayment of the BanBif-COFIDE syndicated facility on October 20, 2026. Upon settlement, approximately $35.2 million of principal indebtedness was extinguished. In connection with the prepayment, the Company incurred approximately $1.4 million of financing-related charges, including prepayment fees and other lender charges, and paid approximately $0.2 million of accrued interest. In addition, approximately $28.4 million of restricted cash held as collateral under the facility was released and became available for general corporate purposes.



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the interim period ended September 30, 2026

PetroTal

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of the operating results and financial condition of PetroTal Corp. ("PetroTal" or the "Company") for the period ended September 30, 2026 is dated November 6, 2026, and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements (the "Interim Financial Statements") for the period ended September 30, 2026. The Interim Financial Statements were prepared by management in accordance with International Financial Reporting Standards ("IFRS®") issued by the International Accounting Standards Board ("IASB"), representing generally accepted accounting principles ("GAAP") for publicly accountable enterprises in Canada.

Financial figures throughout this MD&A are stated in thousands of United States dollars ("$" or "USD") unless otherwise indicated. This MD&A contains forward-looking statements that should be read in conjunction with the Company's disclosure under "Forward-looking statements and business risks".

1. CORPORATE OVERVIEW

PetroTal Corp. and its subsidiaries (the "Company" or "PetroTal") are engaged in the exploration, appraisal, and development of oil in Peru, South America. PetroTal is a publicly-traded energy company, incorporated and domiciled in Canada, with management offices in Houston, Texas, and Lima, Peru. The Company's registered office is located at 4200 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta, Canada. PetroTal's common shares are listed on the Toronto Stock Exchange (TSX: TAL), AIM Market of the London Stock Exchange (AIM: PTAL), and OTCQX (PTALF). Through its Peruvian subsidiaries, PetroTal Peru S.R.L and Ucawa Energy S.A.C. ("Ucawa"), the Company is actively developing hydrocarbons at Blocks 95 and 131 and holds exploration prospects and leads in Block 107.

2. PERFORMANCE HIGHLIGHTS

Selected Operational and Financial Highlights

		For the Three Months Ended						For the Nine Months Ended			
		September 30, 2026		June 30, 2026		September 30, 2025		2026		2025	
($ thousands)		$/bbl		$/bbl		$/bbl		$/bbl		$/bbl	
PRODUCTION:	Average production (bopd)		11,797		12,557		18,414		13,076		20,893
SALES:	Average sales (bopd)		11,446		11,969		18,028		12,578		20,611
	Total sales (bbls)		1,053,046		1,089,145		1,658,621		3,433,663		5,626,937
	Average Brent price	$ 86.45		$ 90.11		$ 66.96		$ 83.82		$ 68.80	
Weighted contracted sales price, gross		86.49		90.36		66.95		83.25		69.06	
LESS:	Tariffs, fees and differentials	23.44		23.49		23.62		23.50		22.51	
	Realized sales price, net	63.05		66.87		43.33		59.75		46.55	
REVENUES:	Oil revenue [1]	$ 63.05	$ 66,391	$ 66.87	$ 72,827	$ 43.33	$ 71,871	$ 59.75	$ 205,168	$ 46.55	$ 261,932
LESS:	Royalties and Social Fund	5.85	6,158	7.36	8,016	4.80	7,961	5.98	20,525	5.24	29,478
	Operating expenses (excluding erosion)	12.98	13,668	10.11	11,013	8.34	13,834	10.37	35,609	7.92	44,549
	Direct transportation:										
	Barging	1.56	1,647	(0.60)	(651)	0.60	1,003	0.47	1,622	0.74	4,149
	Dry Season Freight/ Storage/Inventory	—	—	—	—	2.76	4,579	—	—	1.03	5,785
	Total transportation	1.56	1,647	(0.60)	(651)	3.36	5,582	0.47	1,622	1.77	9,934
NET OPERATING INCOME ("NOI")		42.66	44,918	49.99	54,449	26.83	44,494	42.93	147,412	31.63	177,971
	NOI as % of Revenue		68%		75%		62%		72%		68%
Erosion expense		1.41	1,480	0.30	332	3.91	6,481	1.71	5,882	1.60	9,002
General and administrative expense		6.05	6,368	6.29	6,854	4.38	7,271	6.39	21,934	4.38	24,625
NET INCOME			$ (5,549)		$ 4,796		$ 3,599		$ 14,544		$ 51,964
ADJUSTED EBITDA [2]		$31.96	$ 33,653	$39.98	$ 43,541	$19.03	$ 31,568	$32.72	$ 112,342	$26.26	$ 147,738
Cash capital expenditures		$11.81	$ 12,432	$10.25	$ 11,168	$11.87	$ 19,682	$9.62	$ 33,020	$10.76	$ 60,564
FREE FUNDS FLOW [2]		$20.15	$ 21,221	$29.72	$ 32,373	$7.17	$ 11,886	$23.10	$ 79,322	$15.49	$ 87,174
Total cash			$ 151,423		$ 136,893		$ 141,488		$ 151,423		$ 141,488
Restricted cash			35,871		31,505		32,679		35,871		32,679
Total debt and lease liabilities			70,199		74,524		101,330		70,199		101,330
Net Debt			(45,353)		(30,864)		(7,479)		(45,353)		(7,479)
Working capital			$ 123,686		$ 145,742		$ 121,462		$ 123,686		$ 121,462
Basic Shares Outstanding ('000)			920,328		920,328		913,372		920,328		913,372
Dividends paid			$ —		$ —		$ 14,134		$ —		$ 41,348

[1] Tariff and marketing fees are expenses usually recorded by reducing revenues in the Financial Statements.
[2] This is a non-GAAP financial measure. For further information, please refer to Section 3.4, "Non-GAAP Financial Measures."

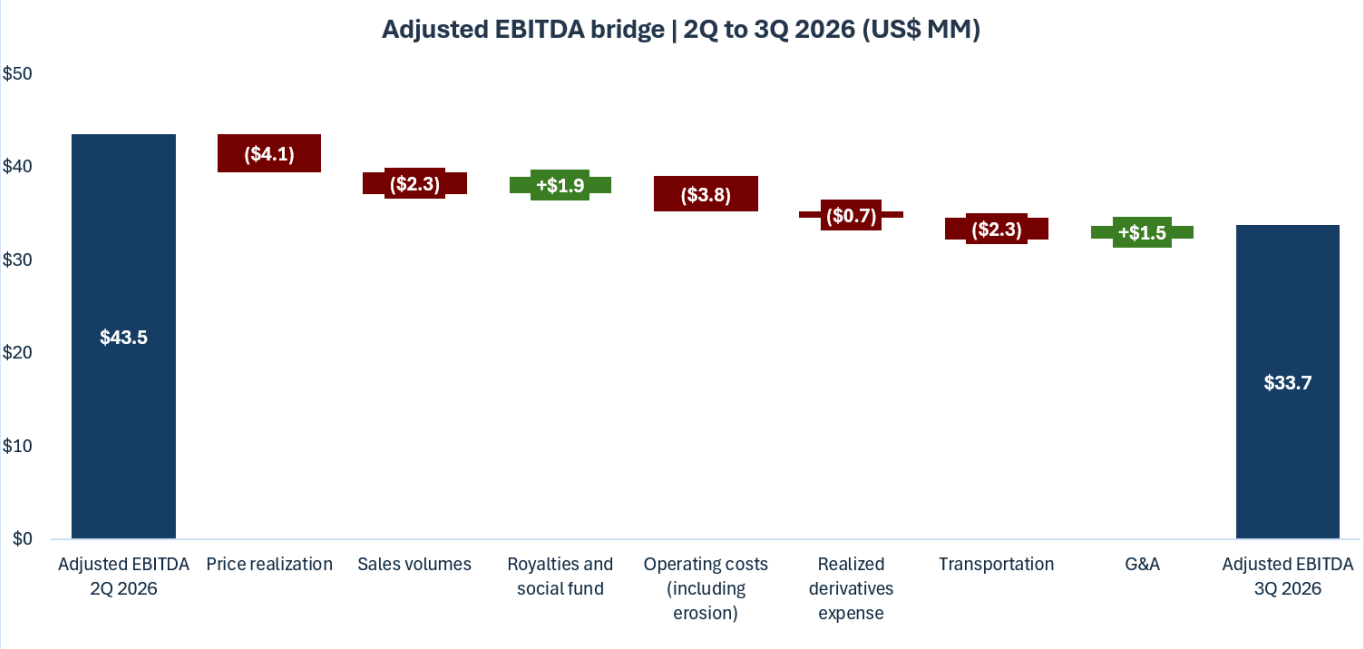
The Company's key operational and financial performance is summarized below:

Operational Highlights

- In Q3 2026, oil production was 1.09 million barrels, a decrease of 6% from 1.14 million barrels in Q2 2026. In Q3 2026, the company produced 11,797 bopd versus 12,557 bopd in Q2 2026. As of September 30, 2026, the Company had 22 currently producing oil wells and 5 water disposal wells. The decrease reflects the natural decline of existing wells. Stimulation work on two water injection wells at the Bretana field was completed during the quarter; it improves injection capacity but does not alter the natural decline rate. To support future production growth, PetroTal initiated its renewed development drilling program at Bretana by spudding the 25H development well on September 21, 2026. As the first oil well in the program, the 25H well is progressing on schedule and in line with expectations; and,
- Oil sales allocations during Q3 2026 were directed through two primary routes: 98.1% to exports through Brazil and 1.9% to the Iquitos refinery. The continued focus on export markets supports pricing stability while reducing regional offtake and counterparty risk exposure.

Financial Highlights

- Revenue totaled $66.4 million in Q3 2026, based on 1.1 million bbls sold, (average 11,446 bopd) at an average realized price of $63.05/bbl, compared to $72.8 million from 1.1 million bbls sold (average 11,969 bopd) at an average realized price of $66.87/bbl in Q2 2026. Bretana remained the Company's core cash-generating asset, contributing $64.4 million of revenue during the quarter;
- Royalties paid to the Peruvian government in Q3 2026 totaled $4.4 million ($4.21/bbl, 6.7% of revenues) compared to $5.9 million ($3.57/bbl, 8.2% of revenues) in Q3 2025. Royalties were substantially all related to the Bretana field. Contributions to the 2.5% community social trust fund were $1.7 million in Q3 2026, as compared to $2.0 million in Q3 2025;
- Capital expenditures ("capex") totaled $11.8 million in Q3 2026, primarily related to field infrastructure projects and the initiation of the renewed development drilling program at Bretana;
- Change in Adjusted EBITDA from Q2 2026 to Q3 2026:



Adjusted EBITDA for Q3 2026 was $33.7 million ($31.96/bbl) compared to $43.5 million ($39.98/bbl) in Q2 2026. The decrease was primarily driven by lower realized oil prices, reduced sales volumes, and higher operating costs, mainly driven by well pulling activities. These impacts were partially offset by lower royalties, social fund charges and general and administrative expenses.

- Free funds flow for Q3 2026 of $21.2 million ($20.15/bbl) compared to $32.4 million ($29.72/bbl) in Q2 2026. The decrease reflects the impact of lower sales volumes and realized oil prices on Adjusted EBITDA, as well as higher capital expenditures associated with the renewed drilling campaign. Nonetheless, the Company maintained strong cash margins and generated free cash flow across varying production levels;
- Net operating income totaled $44.9 million ($42.66/bbl) in Q3 2026, compared to $54.4 million ($49.99/bbl) in Q2 2026;
- Total cash position at the end of Q3 2026 was $151.4 million, including $115.6 million of unrestricted cash, compared to $139.1 million, including $112.4 million of unrestricted cash at the end of 2025. Subsequent to quarter-end, the Company voluntarily prepaid the remaining $35.2 million outstanding under the BanBif-COFIDE syndicated facility and released $28.4 million of restricted cash;
- Restricted cash of $35.9 million at the end of Q3 2026 was associated with the COFIDE and BanBif loan designated for use in the erosion control project and permitted hedging programs, compared to $26.7 million at the end of 2025; and,
- The Company suspended its dividend policy in November 2025. It did not pay dividends or repurchase shares during 2026.

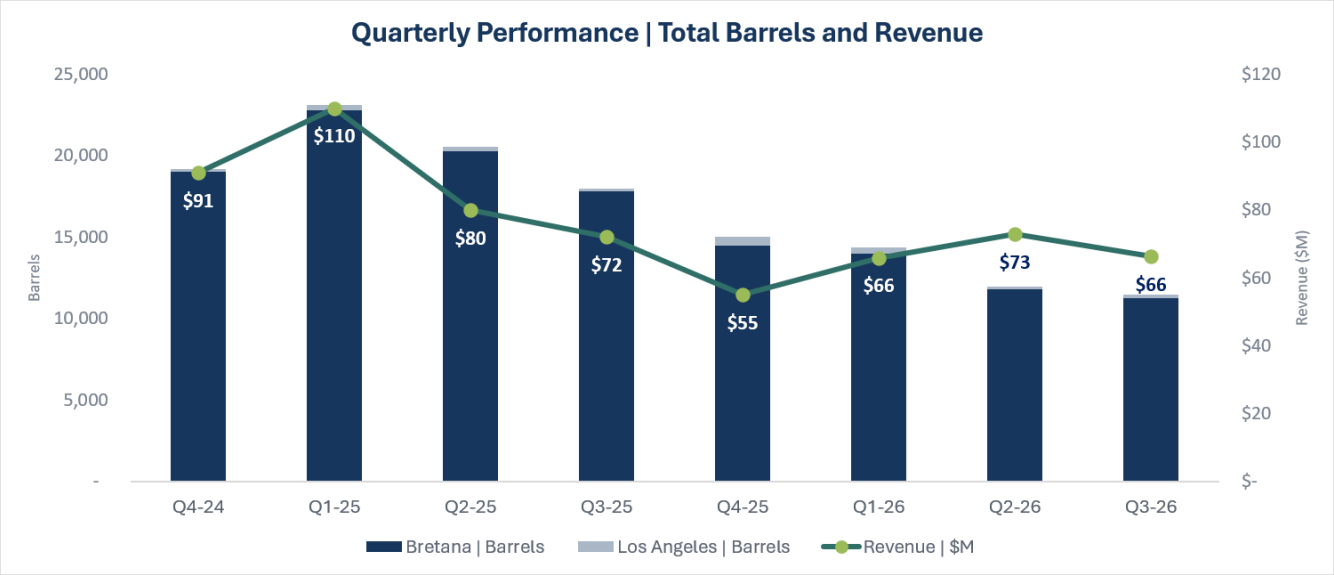
3. SELECTED FINANCIAL INFORMATION

3.1 SELECTED EARNINGS STATEMENT INFORMATION

Oil sales in Q3 2026 decreased by 3% to 1.1 million bbls (average 11,446 bopd), compared to 1.1 million bbls (average 11,969 bopd) in Q2 2026. Sales decreased 35% in Q3 2026 compared to 1.6 million bbls (average 17,594 bopd) in Q3 2025.

The Company may sell oil through three sales points: the local Iquitos refinery, exports through Brazil, and the Northern Peruvian Pipeline ("ONP"). In Q3 2026, PetroTal directed 98.1% of total sales to export markets through Brazil. The remaining 1.9%, sourced from the Los Angeles field, continued to supply the Iquitos refinery under rigorous counterparty credit and payment monitoring. Sales via the ONP have remained inactive since February 2022.

Pricing mechanisms differ by route. Sales to the Iquitos refinery were priced at the prevailing Brent oil price, less a quality differential discount and barge transportation charges. Oil exported through Brazil was sold on a freight on board ("FOB") Bretana basis, priced at the forecasted Brent oil price three months forward, less a fixed amount covering transportation, sales costs, and quality differential.



Royalties and social fund decreased to $6.2 million ($5.85/bbl) in Q3 2026 from $8.0 million ($7.36/bbl) in Q2 2026, and from $8.0 million ($4.80/bbl) in Q3 2025. Bretana oilfield royalties are calculated on production, net of transportation costs, starting at 5.0% for production up to 5,000 bopd and increasing linearly to 20.0% at 100,000 bopd or more. The Los Angeles oilfield royalties follow a similar structure, starting at 23.5% for production up to 5,000 bopd and scaling linearly to 38.5% at 100,000 bopd or more. Effective September 1, 2026, the Block 131 License Contract was amended to establish a new royalty framework for incremental production from new wells and qualifying workovers. Under the amended framework, the base royalty is determined by the average crude oil price, with royalty rates ranging from 5.0% to 20.0%. Base production remains subject to the existing royalty regime. The amendment also increased the Social Development Fund contribution from 1.5% to 2.5% of the value of fiscalized hydrocarbons.

Operating expenses totaled $13.7 million ($12.98/bbl) in Q3 2026, compared to $11.0 million ($10.11/bbl) in Q2 2026, and $13.8 million ($8.34/bbl) in Q3 2025. During Q3 2026, operating expenses increased compared to the prior periods mentioned above, primarily driven by well intervention and pulling activities on wells 22H, 23H and 19H. In addition, operating costs on a per-barrel basis increased due to lower production volumes. Management continues to prioritize cost-efficiency initiatives across all operating areas while leveraging existing infrastructure and operational synergies to support future development activities.

Erosion costs in Q3 2026 were $1.5 million ($1.41/bbl), compared to $0.3 million ($0.30/bbl) in Q2 2026, and compared to $6.5 million ($3.91/bbl) in Q3 2025. Compared to Q2 2026, the increase was primarily driven by jack-up and barge rental costs related to erosion control activities. Compared to Q3 2025, the decrease primarily reflects the temporary suspension of the erosion control project following the termination of the agreement with the EBD Consortium.

The Company continues to reassess the scope and timing of the project. Management remains committed to protecting critical long-term operating infrastructure and supporting local communities, while maintaining disciplined capital allocation and financial flexibility.

Direct transportation expenses in Q3 2026 totaled $1.6 million ($1.56/bbl) compared to a net reversal of $0.7 million ($0.60/bbl) in Q2 2026, primarily driven by the reversal of a 2025 demurrage accrual following the settlement with Novum. Compared to Q3 2025, direct transportation expenses decreased from $5.6 million ($3.36/bbl), primarily due to the elimination of demurrage claims, which have been fully eliminated in 2026.

General and administrative ("G&A") expenses in Q3 2026 totaled $6.4 million ($6.05/bbl) compared to $6.9 million ($6.29/bbl) in Q2 2026, and $7.3 million ($4.38/bbl) in Q3 2025. The quarter-over-quarter improvement primarily reflects lower personnel-related accruals, partially offset by share-based compensation expense.

Compared to the same period in 2025, the improvement was primarily driven by lower advisory and consulting costs, partially related to the integration of Ucawa.

Net finance expenses totaled $4.3 million ($4.10/bbl) in Q3 2026, compared to $1.8 million ($1.65/bbl) in Q2 2026, and $1.8 million ($1.08/bbl) in Q3 2025, primarily driven by the remeasurement of the long-term receivable following the deferral of its collection date to 2031.

Commodity price derivative loss for Q3 2026 was $14.9 million ($14.17/bbl) compared to a loss of $9.2 million ($8.45/bbl) in Q2 2026, and a loss of $2.1 million ($1.26/bbl) in Q3 2025. The loss in Q3 2026 primarily reflected unrealized fair value losses on corporate hedging contracts of $10.6 million and realized losses of $4.8 million, partially offset by a $0.5 million gain on outstanding embedded derivatives.

Under the Company's oil sales agreement with Petroperu for deliveries into the Northern Peruvian Pipeline, the final sales price for certain delivered volumes remains subject to market price fluctuations between the date of delivery and Petroperu's ultimate sale of the oil at Bayovar. As a result, the Company recognizes an embedded derivative that is remeasured at each reporting date based on prevailing forward oil prices. Accordingly, gains and losses associated with this embedded derivative may create volatility in reported financials but do not affect the Company's current operating performance, liquidity position or free funds flow. These amounts will ultimately be settled when the remaining oil volumes are sold by Petroperu to third parties.

In addition, a significant portion of the derivative loss recognized during the quarter relates to unrealized fair value adjustments on the Company's commodity hedging program. These unrealized losses do not affect operating cash flows, liquidity, covenant compliance or free funds flow generation and will fluctuate with changes in forward oil prices until settlement.

Depletion, depreciation and amortization ("DD&A") expenses in Q3 2026 were $15.5 million ($14.71/bbl) compared to $15.8 million ($14.52/bbl) in Q2 2026, and $19.2 million ($11.56/bbl) in Q3 2025. DD&A is calculated using the unit-of-production method based on capital invested, including estimated future development costs, over proved plus probable reserves.

Foreign exchange loss in Q3 2026 was $0.3 million ($0.33/bbl) compared to a gain of $0.7 million ($0.62/bbl) in Q2 2026, and a loss of $35.0 thousand ($0.02/bbl) in Q3 2025, primarily due to fluctuations in currency positions and transactional exposures.

Income tax expense in Q3 2026 was $6.1 million ($5.75/bbl) compared to $3.4 million ($3.16/bbl) in Q2 2026, and $4.1 million ($2.45/bbl) in Q3 2025. Compared to Q2 2026, the variance was primarily due to lower deferred tax benefits recognized during the quarter, partially offset by higher current income tax driven by increased taxable earnings resulting from stronger oil prices. Year-over-year, income tax expense increased despite favorable deferred tax impacts, reflecting higher profitability and the exhaustion of the Company's NOLs during 2025.

Net loss in Q3 2026 was $5.5 million, compared to a net income of $4.8 million in Q2 2026, The change was primarily attributable to lower net operating income resulting from lower realized oil prices, reduced sales volumes, and higher operating and transportation expenses. In addition, the Company recorded higher commodity price derivative losses, mainly reflecting non-cash fair value movements of commodity derivative contracts, together with higher finance costs and income tax expense. The overall variance was partially offset by items affecting comparability between periods, including the impairment charge and other income recognized in Q2 2026.

3.2 SELECTED BALANCE SHEET INFORMATION

Liquidity and capital resources

As of September 30, 2026, the Company held unrestricted cash of $115.6 million and restricted cash of $35.9 million, totaling $151.4 million, compared to unrestricted cash of $105.4 million and restricted cash of $31.5 million, totaling $136.9 million as of June 30, 2026. Working capital was $123.7 million as of September 30, 2026,

compared to $145.7 million as of June 30, 2026, primarily reflecting the reclassification of all outstanding debt to current liabilities as of September 30, 2026.

Current restricted cash of $29.9 million consists primarily of funds held in an escrow account related to the loan financing the erosion control project and cash pledged to support letters of credit associated with the Block 107 exploration wells. The $6.0 million of non-current restricted cash is related to permitted hedging programs.

PetroTal maintains a strong balance sheet and liquidity position. As of September 30, 2026, the Company had total cash of $151.4 million, including $115.6 million of unrestricted cash, compared to total debt and lease liabilities of $70.2 million. Unrestricted cash exceeded debt obligations by $45.4 million, resulting in a negative net debt position. The Company remained in compliance with all financial covenant requirements under its debt agreements.

Subsequent to September 30, 2026, the Company completed the voluntary full prepayment of the BanBif-COFIDE syndicated facility on October 20, 2026. Upon settlement, approximately $35.2 million of principal indebtedness was extinguished. Further details of debt obligations are provided in Note 11, Debt, and Note 20, Subsequent event, to the Interim Financial Statements.

Cash generated from operations, existing total cash balances and available credit facilities continue to provide sufficient liquidity to fund planned capital expenditures, development activities, working capital requirements and other obligations. The Company remains well positioned to execute its capital program while maintaining a strong balance sheet and financial flexibility.

The Company's liquidity requirements include funding operating activities, development drilling programs, community and social commitments, regulatory obligations, field development projects, potential exploration activities, abandonment and reclamation obligations, and future tax liabilities. The Company is subject to financial covenants under its loan agreement, including a minimum liquidity ratio, a maximum liabilities-to-equity ratio, and a minimum debt service coverage ratio. Following the repayment of the BanBif-COFIDE facility mentioned above, PetroTal is no longer subject to the facility-specific financial covenant requirements previously applicable under the syndicated loan agreement.

Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's liquidity risk is affected by current and future commodity prices. If required, the Company may consider additional short-term financing or issuing equity to meet its future obligations. Declines in future commodity prices could affect the Company's ability to fund ongoing operations. The current commodity price environment and capital market conditions may have significant adverse impacts on the Company including, but not exclusively:

- material declines in revenue and cash flows due to lower commodity prices;
- declines in revenue and operating activities resulting from constrained capital programs and oil production;
- inability to access financing sources; and,
- increased risk of non-performance by the Company's customers and suppliers.

Estimates and judgments made by management in the preparation of the Financial Statements are subject to a certain degree of measurement uncertainty during this volatile period. Management actively monitors these risks through sensitivity analyses, scenario modeling (e.g. lower oil price cases), stress testing on operating margins, and regular updating of the capital program. The Company also seeks to maintain flexibility in its investment schedule, avoid overcommitment, and preserve a prudent liquidity buffer.

Capital expenditures and investments

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Drilling Program	$ 5,141	$ 4,274	$ 8,114	$ 24,054
Field Infrastructure	5,802	7,230	17,268	20,868
Fluid Handling Facilities ("CPF")	—	1,018	—	4,723
Erosion Costs	608	3,610	1,358	4,962
Block 95	16	604	112	1,552
Block 107	89	36	172	644
Other	58	2,910	119	3,168
Exploration & development expenditures	11,714	19,682	27,143	59,971
Other capital expenditures	55	—	215	381
Total capital expenditures	$ 11,769	$ 19,682	$ 27,358	$ 60,352

PetroTal invested $11.7 million and $27.1 million in exploration & development expenditures for the three and nine months ended September 30, 2026, respectively, compared to $19.7 million and $60.0 million for the three and nine months ended September 30, 2025, respectively. The decrease was primarily attributable to lower drilling activity, reduced fluid handling activities, and the temporary suspension of the preventive riverbank erosion control project.

Capital expenditures during the period were primarily related to field infrastructure projects and the initiation of the renewed development drilling program at Bretana, including equipment mobilization, infrastructure readiness and field preparation activities. The drilling program is now underway, with the 25H well, the first of eight planned proved wells, progressing on schedule and in line with expectations. The Company continues to apply a disciplined capital allocation approach, prioritizing investments that support operational reliability, capital efficiency and long-term value creation. Supported by its strong liquidity position and financial flexibility, PetroTal remains well positioned to execute its development program while maintaining balance sheet strength and a prudent approach to capital deployment.

As of September 30, 2026, the Company had $12.3 million in exploration and evaluation assets related to Block 95 and Block 107.

Share capital

Authorized share capital consists of an unlimited number of common shares without nominal or par value. Holders of common shares are entitled to one vote per share and to receive dividends as declared by the Board of Directors.

As of November 6, 2026, PetroTal has the following securities outstanding (in thousands):

Common shares	920,328	97%
Performance share units	25,939	3%
Total	946,267	100%

Dividends

The Company suspended its dividend policy in November 2025. Accordingly, no dividends were declared or paid during 2026. During the three and six months ended September 30, 2025, the Company paid dividends ($0.015 per share) to shareholders in the amount of $14.1 million and $42.2 million, respectively.

Normal course issuer bid ("NCIB")

The Company did not purchase common shares during the three and nine months ended September 30, 2026. During the three and nine months ended September 30, 2025, the Company purchased 1.2 million and 4.5 million common shares under the NCIB for total consideration of $0.6 million and $2.3 million, respectively. The surplus between the total consideration and the carrying value of the shares repurchased was recorded against retained earnings. PetroTal's normal course issuer bid expired on June 2, 2026.

3.3 SELECTED QUARTERLY INFORMATION

	Q3-2026	Q2-2026	Q1-2026	Q4-2025	Q3-2025	Q2-2025	Q1-2025	Q4-2024
Average production (bopd)	11,797	12,557	14,907	15,258	18,414	21,039	23,281	19,142
Average sales (bopd)	11,446	11,969	14,350	15,059	18,028	20,578	23,286	19,087
Total sales (bbls)	1,053,046	1,089,145	1,291,473	1,385,460	1,658,621	1,872,602	2,095,714	1,756,030
Average Brent price	86.45	90.11	74.65	62.46	66.96	65.55	73.96	73.42
Realized sales price - oil ($/bbl)	63.05	66.87	51.07	39.67	43.33	42.78	52.46	52.06
Oil revenue ($M)	66,391	72,827	65,950	54,959	71,871	80,110	109,951	91,421
NET OPERATING INCOME ("NOI") ($/bbl)	42.66	49.99	37.21	18.30	26.83	27.40	39.21	32.71
NET OPERATING INCOME ("NOI") ($M) [2]	$ 44,918	$ 54,449	$ 48,045	$ 25,346	$ 44,494	$ 51,294	$ 82,183	$ 57,458
NOI as % of Revenue	68 %	75 %	73 %	46 %	62 %	64 %	75 %	63 %
NET INCOME (LOSS) ($M)	$ (5,549)	$ 4,796	$ 15,297	$ (7,777)	$ 3,599	$ 17,513	$ 30,852	$ 21,242
Net income per share – basic	(0.01)	0.01	0.02	(0.01)	—	0.02	0.03	0.02
Net income per share – diluted	(0.01)	0.01	0.02	(0.01)	—	0.02	0.03	0.02
ADJUSTED EBITDA ($/bbl)	31.96	39.98	27.22	13.38	19.03	23.66	34.29	22.87
ADJUSTED EBITDA ($M) [2]	$ 33,653	$ 43,541	$ 35,148	$ 18,543	$ 31,568	$ 44,310	$ 71,860	$ 40,167
Cash capital expenditures	(12,432)	(11,168)	(9,420)	(15,286)	(19,682)	(17,064)	(23,624)	(50,589)
FREE FUNDS FLOW ($/bbl)	20.15	29.72	19.92	2.35	7.17	14.55	23.02	(5.93)
FREE FUNDS FLOW ($M) [2]	$ 21,221	$ 32,373	$ 25,728	$ 3,257	$ 11,886	$ 27,246	$ 48,236	$ (10,422)

[1] Tariff and marketing fees are expenses usually recorded by reducing revenues in the Financial Statements.
[2] This is a non-GAAP financial measure. For further information, please refer to Section 3.4, "Non-GAAP Financial Measures."

Trends in oil and natural gas sales, net operating income, adjusted EBITDA and free funds flow are primarily driven by fluctuations in production volumes and changes in the Brent benchmark oil price, which directly influence the Company's realized sales prices and revenue generation.

Net income is also affected by non-cash items, including impairment charges and reversals related to property, plant and equipment, exploration and evaluation assets and long-term inventory. Changes in income taxes, as discussed in the "Income Tax" section, also impact net income through both current and deferred tax expense, while funds flow provided by operations is primarily affected by current income taxes.

Free funds flow reflects the Company's ability to generate cash after funding capital expenditures and is therefore influenced by the timing and magnitude of development and infrastructure investments. Periods of active drilling campaigns and higher capital spending typically reduce free funds flow, while periods of lower capital investment generally support stronger free funds flow generation.

Refer to "Financial and Operating Results" for detailed discussions on variations during the comparative quarters and to PetroTal's previously issued annual and interim MD&As for further information regarding changes in prior quarters.

3.4 NON-GAAP FINANCIAL MEASURES

Non-GAAP Terms

This report contains financial terms that are not considered measures under GAAP such as operating netback, revenue and transportation expense adjustment, and funds flow provided by operations that do not have any standardized meaning under GAAP and may not be comparable to similar measures presented by other companies. Management uses these non-GAAP measures for its own performance measurement and to provide shareholders and investors with additional measurements of the Company's efficiency and its ability to fund a portion of its future capital expenditures.

Net Operating income

The Company considers Net Operating Income to be a key measure of operating performance. Net Operating Income is calculated as revenue, net of tariffs, royalties, and social fund contributions, less operating expenses and direct transportation costs, and excludes erosion expense, general and administrative expenses, and gains or losses on derivative instruments.

Revenue and transportation expense adjustment

Revenue and transportation expense adjustment is a non-GAAP measure that includes transportation tariff, marketing fee, barging and diluent expenses.

Total cash

Total cash is a capital management measure to describe the total cash and cash equivalents restricted and unrestricted available, comprised of cash and cash equivalents and restricted cash short and long-term.

Funds flow information

Funds flow provided by operations ("FFO") is a non-GAAP measure that includes all cash generated from operating activities and changes in non-cash working capital. The Company considers funds flow from operations to be a key measure as it demonstrates the Company's ability to generate cash from its core operating activities.

A reconciliation from cash provided by operating and investing activities to funds flow provided by operations is as follows:

	Three Months Ended		
	September 30, 2026	June 30, 2026	September 30, 2025
Cash flow from operating activities			
Net (loss) income	$ (5,549)	$ 4,796	$ 3,598
Adjustments for:			
Depletion, depreciation and amortization	15,495	15,809	19,168
Impairment	—	10,170	—
Accretion of decommissioning obligation	601	587	539
Share based compensation plan	1,465	455	1,380
Net finance expenses	4,231	1,692	2,819
Deferred income tax recovery	(2,283)	(6,150)	(2,259)
Disposal of property, plant and equipment	1,155	6,229	—
Commodity price unrealized derivatives loss	10,038	5,028	2,081
Funds flow provided by operations before non-cash working capital	$ 25,153	$ 38,616	$ 27,326
Changes in non-cash working capital:			
Trade and other receivables	3,940	2	12,400
Prepaid expenses	(1,548)	3,926	(3,460)
Inventory	(1,958)	(638)	(201)
Income tax	8,413	9,137	12,263
Trade and other payables	8,513	(4,023)	325
Cash paid for income taxes	(8,379)	(18,814)	(3,935)
Net cash provided by operating activities	$ 34,134	$ 28,206	$ 44,718
Cash flow from investing activities			
Exploration and evaluation asset additions	$ (294)	$ (365)	$ (36)
Property, plant and equipment additions	(12,138)	(10,803)	(19,434)
Proceeds from sale of assets	—	14,000	—
Non-cash changes in working capital	(1,283)	793	(6,310)
Net cash (used in) provided by investing activities	(13,715)	3,625	(25,780)
Net cash provided by operating and investing activities	$ 20,419	$ 31,831	$ 18,938

CAPITAL MANAGEMENT MEASURES

Adjusted EBITDA

Adjusted EBITDA means earnings before interest, taxes, depreciation and amortization, derivatives, foreign exchange, adjusted for realized derivatives gain (loss), share-based compensation, and non-recurring items.

	Three Months Ended		
	September 30, 2026	June 30, 2026	September 30, 2025
Net (loss) income	$ (5,549)	$ 4,796	$ 3,599
Adjustments to reconcile net income:			
Depletion, depreciation and amortization	15,495	15,809	19,168
Net finance expenses	4,317	1,797	1,789
Income tax expense	6,054	3,446	4,069
Commodity price derivatives loss	14,921	9,205	2,082
Foreign exchange loss (gain)	343	(676)	35
EBITDA (non-GAAP)	$ 35,581	$ 34,377	$ 30,741
Impairment	—	10,170	—
Loss on disposal of property, plant and equipment	1,095	6,289	—
Other expense (income)	394	(3,573)	—
Commodity price derivatives realized loss	(4,882)	(4,177)	—
Share based compensation plan	1,465	455	827
Adjusted EBITDA (non-GAAP)	$ 33,653	$ 43,541	$ 31,568
Cash capital expenditures [(1)]	(12,432)	(11,168)	(19,682)
Free funds flow (non-GAAP)	$ 21,221	$ 32,373	$ 11,886

[(1)] Cash capital expenditures consist of Property, Plant and Equipment additions and Exploration and Evaluation asset additions, as presented in the condensed interim consolidated statements of cash flows. Cash capital expenditures differ from the capital expenditures presented in Section 3.2, as they exclude non-cash additions and amounts that would otherwise be allocated to capital projects.

Free funds flow after investing activities is a non-GAAP measure, and the Company considers free funds flow or free cash flow to be a key measure as it demonstrates the Company's ability to fund a return of capital without accessing outside funds.

4. SIGNIFICANT JUDGMENTS AND ESTIMATES

The preparation of the Company's Financial Statements requires management to make judgments, assumptions, and estimates that affect the reported amounts of assets, liabilities, income, and expenses. Critical accounting policies relate to areas where these judgments and estimates have the most significant impact on the Interim Financial Statements. There have been no material changes to the Company's critical accounting policies or estimates since the filing of the Annual Financial Statements, except as disclosed in Note 2 to the Interim Financial Statements. For a detailed discussion of the Company's significant accounting policies, critical judgments, and estimates—including assumptions and measurement uncertainties—refer to the annual financial statements and notes for the year ended December 31, 2025.

5. FORWARD-LOOKING STATEMENTS AND BUSINESS RISKS

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements. These statements relate to future events or the Company's future performance, including, but not limited to: the Company's business strategy, objectives, focus, outlook, drilling, completions, workovers, expansion of infrastructure, exploration of undeveloped acreage, anticipated costs and results of such activities, environmental and social initiatives, expected production and revenue, oil production levels, the 2027 capital program and budget (including drilling plans), balance sheet strength, hedging programs, and future development and growth prospects. All statements other than statements of historical fact may be forward-looking statements. Statements relating to expected production, reserves, prospective resources, recovery, costs, and valuation are also deemed forward-looking, as they involve estimates and assumptions regarding the potential profitability of producing such reserves in the future. Forward-looking statements can often be identified by words such as "anticipate," "plan," "continue," "estimate," "expect," "may," "will," "project," "predict," "potential," "intend," "could," "might," "should," "believe," or similar expression.

Forward-looking statements are based on key expectations and assumptions, including, but not limited to: the ability of existing infrastructure to deliver production, anticipated capital expenditures, reservoir characteristics, recovery factors, exploration upside, prevailing commodity prices, actual prices received (including pursuant to hedging arrangements), availability and performance of drilling rigs, facilities, pipelines, other oilfield services, and skilled labor, royalty regimes, exchange rates, regulatory and licensing requirements, the accuracy of the Company's geological interpretations, receipt of required regulatory approvals, success of future drilling and development activities, performance of new wells, the Company's growth strategy, general economic conditions, and availability of required equipment and services.

Although the Company believes these expectations and assumptions are reasonable, undue reliance should not be placed on forward-looking statements because no assurance can be given that they will prove to be correct. Actual results may differ materially due to known and unknown risks, uncertainties, and other factors, including, but not limited to: operational risks in development, exploration, and production; delays or changes in exploration or development plans; uncertainties in reserve estimates; fluctuations in production, costs, and expenses; health, safety, and environmental risks; commodity price volatility; price differentials and actual prices received; exchange rate fluctuations; legal, political, and economic instability in Peru; access to transportation routes and markets; changes in legislation affecting the oil and gas industry; and other factors beyond the Company's control. Additional risk factors are detailed in the Company's AIF, available on SEDAR+ at www.sedarplus.ca.

Forward-looking statements speak only as of the date of this MD&A and are expressly qualified by this cautionary statement. Subject to applicable securities laws, the Company has no obligation to update these statements or to compare them to actual results or changes in expectations. Financial outlook information regarding prospective results, financial position, or cash flows is based on assumptions about future events and management's current assessment of relevant information. Readers are cautioned not to use such financial outlook information for purposes other than those disclosed herein.

Prospective resources represent estimated quantities of petroleum potentially recoverable from undiscovered accumulations using future development projects. Estimates of prospective resources in this MD&A are based on an independent assessment by NSAI, effective December 31, 2025, prepared in accordance with the Canadian Oil and Gas Evaluation Handbook ("COGE") and the reserve definitions contained in National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101") of the Canadian Securities Administrators. For updated information regarding the Company's prospective resources, please refer to the Company's website for the most recent press release.

ADDITIONAL INFORMATION

Additional information about PetroTal Corp. and its business activities, including PetroTal's audited Financial Statements for the years ended December 31, 2025 and 2024 are available on the Company's website at www.petrotal-corp.com, and at www.sedarplus.ca.

DIRECTORS

Mark McComiskey [1][4]
Chair of the Board

Denisse Abudinen Butto[3][5]

Felipe Arbelaez [3][4]

Eleanor Barker [4][5]

Jon Harris [1][2][5]

Gavin Wilson [1][2][3]

Manuel Pablo Zuniga-Pflucker [2]

OFFICERS AND SENIOR EXECUTIVES

Manuel Pablo Zuniga-Pflucker
President and Chief Executive Officer

Camilo McAllister
Executive VP and Chief Financial Officer

Jorge Osorio
Chief Operating Officer

Amaris Cardona
Chief People & Culture Officer

Diana Rangel
VP Commercial & Crude Logistics

Camilo Obando
VP Finance

Raul Farfan
VP HSE & Sustainability

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STOCK EXCHANGES

TSX Exchange
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TSX: TAL

AIM Stock Exchange
London, United Kingdom
AIM: PTAL

OTCQX Stock Exchange
New York, USA
OTCQX: PTALF

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London, United Kingdom

JOINT BROKERS

Stifel Nicolaus Europe Limited
London, United Kingdom

Peel Hunt LLP
London, United Kingdom

RESERVES EVALUATORS

Netherland, Sewell & Associates, Inc.
Dallas, Texas, USA

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada
Calgary, Alberta, Canada
London, United Kingdom
Massachusetts, USA and New Jersey, USA

[1] Member of the Corporate Governance and Compensation Committee.
[2] Member of the Reserves Committee.
[3] Member of the HSE CSR Committee.
[4] Member of the Audit Committee.
[5] Member of the Technical Committee.

GLOSSARY / ABBREVIATIONS

1P	Proved
2P	Proved plus Probable
3P	Proved plus Probable and Possible
AIF	Annual Information Form
BanBif	Banco Interamericano de Finanzas
bbl(s)	Barrel(s)
bopd	Barrels of Oil per Day
Capex	Capital Expenditures
CGU	Cash Generating Unit
COGE	Canadian Oil and Gas Evaluation Handbook
COFIDE	Corporación Financiera de Desarrollo S.A.
CPF	Central Processing Facilities
CSR	Community, Social and Regulatory
DC&P	Disclosure Controls and Procedures
DD&A	Depletion, Depreciation and Amortization
DEUs	Dividend Equivalent Units
DSUs	Deferred Share Units
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
E&E	Exploration and Evaluation
EIA	Environmental Impact Assessment
EPS	Earnings per Share
FOB	Freight on Board
FFO	Funds Flow Provided by Operations
FVOCI	Fair Value through Other Comprehensive Income
FVTPL	Fair Value through Profit or Loss
G&A	General and Administrative
GAAP	Generally Accepted Accounting Principles
IASB	International Accounting Standards Board
ICE	Intercontinental Exchange
ICFR	Internal Control Over Financial Reporting
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board
MD&A	Management's Discussion and Analysis
mmboe	Million Barrels of Oil Equivalent
NAV	Net Asset Value
NCIB	Normal Course Issuer Bid
Netback	Benchmark to assess the profitability based on revenues less royalties, operating and transportation costs
NI 51-101	National Instruments - Standards of Disclosure for Oil and Gas Activities
NI 52-109	National Instruments - Certification of Disclosure in Issuers' Annual and Interim Filings
NOI	Net Operating Income
NOLs	Net Operating Losses
NPV-10	Net Present Value Discounted at 10%
NSAI	Netherland Sewell and Associates, Inc.
OCP	Ecuador Pipeline
ONP	Northern Peruvian Pipeline
OOIP	Original Oil in Place
PDP	Proved Developed Producing
PP&E	Property, Plant and Equipment
PSUs	Performance Share Units

RLI	Reserve Life Index
USD	United States Dollar ($)
VAT	Value Added Tax